PHOENIX COMMUNITY HOUSING CO-OPERATIVE

Former Tenants Arrears Policy

1 Definition

1.1 When a tenancy ends there may be outstanding arrears. The arrears may occur for a variety of reasons including eviction, a member leaving without notice, or housing benefit recovering overpayments after a member has left.

1.2 Other debts may include court costs or solicitors' costs from possession proceedings.

2 Aim

2.1 Phoenix aims to minimise its losses from former tenants who leave owing rent and other debts. Every effort will be made to recover monies owed by former tenants.

2.2 The effectiveness of debt recovery will depend on actions taken whilst tenancies are still current.

2.3 When a tenancy is terminated the member should be contacted by the Finance Worker to try to ensure they leave with no debt and provide a forwarding address.

2.4 Vigorous steps will be taken to recover Former Arrears, including legal action and debt collection agencies if necessary.

2.5 Phoenix will take account of the amount of a debt; the likelihood of receiving payment and the estimated cost of recovery to ensure value for money is achieved when deciding to pursue a debt.

3 Preventative Action

3.1 Action will be taken to minimise former tenant arrears.

3.2 When a tenancy is due to end and the member is on housing benefit, the Finance Worker will contact the housing benefit office to ensure that no overpayment has been made. The amount of benefit to be received up to the end of the tenancy will be confirmed. The finance worker will calculate the rent that needs to be paid to clear the rent account on the date of termination.

3.3 The Finance Worker will send a letter to the member detailing outstanding debts.

3.4 If there is no response the Co-op Manager will attempt to contact by telephone or home visit. Where the member is unable to clear the arrears an agreement to pay by instalments will be negotiated.

3.5 Transfers to other Phoenix properties should not normally be granted unless the member has a clear rent account.

4 Procedures

4.1 When a former tenant leaves a debt behind, without negotiating an agreement to pay or leaving a forwarding address the Co-op Manager will attempt to obtain an address by

- Reviewing information on the file
- Utility Companies
- Neighbours
- Co-op Members

4.2 If a forwarding address is found the Co-op Manager/Finance Worker will write to the former member requesting payment of a lump sum or weekly amount.

4.3 If no response is received within 14 days the Co-op Manager/Finance Worker will again write to the former member advising of the actions that will be taken in the event of non payment.

4.4 If payment by instalments is agreed the amount should ensure that the arrear is cleared as quickly as possible. Details of the agreement should be passed to the finance worker to monitor payments.

4.5 If no agreement is reached within 8 weeks of the tenant moving or an arrangement has been broken, the debt will be passed to our Credit Collection agency

4.6 Considerations will include:
4.6.1 The size of the debt in relation to court costs

4.6.2 The financial circumstances of the former member. If they are unemployed, on a form of Benefit, have nothing of value then further action will not yield results.

4.7 The Finance Worker will determine the most appropriate legal action, complete forms, attend court and monitor progress in cases of legal action.

5 Recovery Agencies

5.1 References will be obtained for any recovery agencies used. The agency must agree to respect the confidentiality of information supplied by Phoenix

5.2 When investigations have not produced a forwarding address or it is deemed uneconomical to pursue the debt via the small claims procedures, debts will be referred to a recovery agency.

5.3 The Finance Worker will compile a record of all such cases.

5.4 The Finance Worker will check on progress of cases on a two weekly basis and update the list with any new information.

5.5 The Finance Worker will report on the progress of cases on a monthly basis to the Co-op Manager.

The Policy Review Group has agreed this policy:

Signed _____ Date _____

(on behalf of the Management Committee)